# GOVERNMENT OF INDIA
# STATISTICS AND PROGRAMME IMPLEMENTATION
# LOK SABHA

UNSTARRED QUESTION NO:552
ANSWERED ON:26.07.2000
COST OVERRUNS
HARIBHAI PARTHIBHAI CHAUDHARY

**Will the Minister of STATISTICS AND PROGRAMME IMPLEMENTATION be pleased to state:**

(a) whether inordinate delay in the completion of the projects has led to cost overrun;

(b) if so, the facts thereof;

(c) whether the Government have formulated any policy for fixing the responsibility in this regard; and

(d) if so, the number of officers against whom action has been taken after fixing the responsibility in this regard during the last three years?

## Answer

MINISTER OF STATE IN THE MINISTRY OF PLANNING, MINISTER OF STATE IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION AND MINISTER OF STATE OF THE DEPARTMENT OF ADMINISTRATIVE REFORMS PUBLIC GRIEVANCES IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS (SHRI ARUN SHOURIE)

(a) & (b) Yes, Sir. As on 31.3.2000, out of 473 Central Sector Projects, each costing Rs.20 crores and above, on the monitor of the Ministry of Statistics & Programme Implementation, 216 projects are running behind their approved original schedules. The extent of time and cost overruns with respect to the original schedules and costs are given in Annexure I

(c) & (d) According to the Guidelines issued by the Planning Commission in August,1998, the mechanism of Standing Committees envisages the fixation of responsibility in all cases of time and cost overrun before the revised cost estimates of projects costing Rs.50 crores and above are submitted to the Cabinet Committee on Economic Affairs (CCEA).The Administrative Ministries/ Departments concerned with central sector projects are required to set up Standing Committees comprising representatives from the Planning Commission, Department of Expenditure and the Ministry of Statistics & Programme Implementation to examine cases of time and cost overruns as also to identify agencies and persons responsible for such overruns. The reports of the Committees form part of the notes for examination and approval of the revised cost estimates having time and cost overruns before these are submitted to CCEA.

22 Ministries have set up Standing Committees, to go into the cost and time overrun of the projects. So far, 40 such cases have been referred to the Standing Committees. 10 cases have been finalised and in 1 case, individual responsibility has been fixed. The projects in the North Eastern Region suffered seriously due to law and order problems and non- availability of proper man power resources. In other projects, some institutional weaknesses have been identified as being among the factors that have caused time and cost overruns. Standing Committees have advised the concerned Ministries to take necessary remedial actions.